

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE CHICAGO	OFFICE OF ORIGIN CHICAGO	DATE 8/5/59	INVESTIGATIVE PERIOD 6/24/59 - 7/29/59
TITLE OF CASE "CHANGED" GERALD COVELLI:		REPORT MADE BY [redacted]	TYPED BY jem
[redacted]		CHARACTER OF CASE THEFT FROM INTERSTATE SHIPMENT; OBSTRUCTION OF JUSTICE; BRIBERY	

XXXXX

The title of this report is changed to add the names of additional subjects [redacted] and [redacted]

REFERENCES: Chicago teletypes to Bureau, 6/25/and 7/16/59.
Report of SA JAMES J. O'CONNOR, Houston, 7/2/59.
Houston teletype to Bureau, 7/21/59.
Chicago airtel to Bureau, 7/28/59.

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ADMINISTRATIVE

A copy of this report is designated for the USA, Houston, inasmuch as GERALD COVELLI is awaiting sentencing in U.S. District Court, Houston, Texas, on ITSMV charges and he furnished information regarding the bribery to AUSA [redacted] Houston.

Information from the following banking institutions was obtained from the following persons:

APPROVED [Signature]	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE: ③ - Bureau (15-38700) 1 - USA, Chicago 2 - Dallas (26-24264) 3 - Houston (26-8350) (1 - USA, Houston) 2 - Salt Lake City (15-1788) 7 - Chicago 2 - 15-12848 1 - 26-29843 1 - 47-5737		15-38700-58	REC-40
1 - 87-9815 1 - 92-372 1 - 92-691		14 AUG 10 1959	EX
		STAT SECT	

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67 AUG 13 1959

CG 15-12848

COVELLI stated that in 1957, he undertook to open and operate the Cafe Continental at 44 East Walton Street, Chicago, Illinois, [REDACTED]

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He stated that at the time the case was opened he received \$10,000.00 credit from the C & B Provision Company, suppliers of meat, which company is owned by JOE "CESAR" DI VARCO, JIMMY ALLEGRETTI, and (FNU) [REDACTED]

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[REDACTED] COVELLI stated that he regarded these individuals as [REDACTED] He stated that at the same time that he opened the cafe he became indebted to the extent of \$4800.00 for a neon sign at the cafe which was installed by the Right-Way Light Company [REDACTED] and another [REDACTED] known to him as [REDACTED]

COVELLI stated that the Cafe Continental got into considerable debt and C & B Provision Company and Right-Way Light Company, among other creditors began to press for payments to the point where the cafe would ordinarily have had to go into bankruptcy. COVELLI stated, however, JOE "RUFFY" LISCIANDRELLO, who was one of "the outfit" in Chicago, came to him and informed him that he would "keep the wolves off" for 25% interest in the cafe. COVELLI stated that he [REDACTED] had no choice in the matter and that the continued operation of the cafe, although [REDACTED] was for all practical purposes the business of LISCIANDRELLO. COVELLI said that since he was not realizing any money from the operation of the cafe he went into the mannequin business [REDACTED] under the name of Adore Fashions at 2213 South Michigan Avenue. He stated that this business was destroyed by an unfortunate incident wherein one of the mannequins in a display window of Marshall Fields in Chicago broke apart. He stated that he was occupied with Adore Fashions for 6 or 7 months at that time and during that same period received only his groceries out of the Cafe Continental.

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He stated that it was then in approximately the latter part of 1947 or the first part of 1958 that he heard that the Silver Dome on Wilson Avenue in Chicago, which is a bar patronized by "hill billies" was up for lease by the [redacted] Friendly Loan Company in Chicago. COVELLI obtained the lease from the owner and subleased the Silver Dome under the name of JERRY DALE. He stated that [redacted] and that FRANK "HOTDOG" LISCIANDRELLO who was just out of prison worked as a bouncer at the Silver Dome. COVELLI stated that the place was in reality another investment of "RUFFY" LISCIANDRELLO who [redacted]. COVELLI stated that it was he, [redacted] who raised the \$900.00 for the first month's rental of the Silver Dome. COVELLI stated that because he had a record he was not permitted to operate the business and that all that he was supposed to receive was \$10.00 per day from the proceeds.

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COVELLI stated that the Silver Dome had been in operation about four days [redacted] when a raid by Bureau Agents and Alcohol Tax Agents was made simultaneously on the Silver Dome, Cafe Continental, and the Flame, the latter another Chicago tavern [redacted].

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COVELLI stated that he did not know that stolen whiskey had been placed in the Silver Dome or the Flame, but that a day or two before the raids he saw what amounted to 400 cases of Sunnybrook Whiskey in a storage room at the rear of the Cafe Continental. He stated when he saw this he told [redacted] Cafe Continental and also "RUFFY" LISCIANDRELLO and [redacted] to get the whiskey out of the Cafe Continental or everybody would get in trouble, including [redacted] who had no knowledge of the stolen whiskey.

COVELLI claimed that he did not know who had stolen the whiskey, but that [redacted] had told him he paid \$8.00 a case for it. COVELLI said [redacted] brought the whiskey [redacted] in a truck believed rented in the name of one of the individuals responsible for the theft of the whiskey and the whiskey was unloaded [redacted] to the Cafe [redacted].

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Continental [redacted]
COVELLI stated he understood the whiskey was unloaded about 8:00 a.m. and that he, COVELLI, did not learn of its presence there until he went to the cafe early in the afternoon of the same day. He stated that "RUFFY" LISCIANDRELLO told him not to worry because the whiskey would be gone by the end of the week. He said the whiskey was to be sold at \$30.00 to \$35.00 a case and the profit was to be realized by [redacted] "RUFFY" LISCIANDRELLO, and JIMMY ALLEGRETTI, all of whom were involved in the purchase of the whiskey. He stated that the individual [redacted] Cafe Continental, [redacted] (LNU) [redacted] the whiskey [redacted]

[redacted] COVELLI stated that the whiskey was Sunnybrook brand and consisted of either half pints or pint bottles. He stated that he told [redacted] if he was going to keep any of the whiskey at the Cafe Continental he should at least [redacted] as then they could only be charged with possession of moonshine, rather than stolen whiskey. COVELLI said he did not know the whiskey was part of an interstate shipment. He also stated he did not know whether [redacted]

COVELLI stated that the stolen whiskey was placed at the Cafe Continental before the lease was signed for the operation of the Silver Dome. He stated that at the time the stolen whiskey was placed at the Silver Dome he had no knowledge it was there and although he did not mean to deny he had stolen whiskey in the past, he said that he was not so stupid as to bring it into a place where he would be charged with possession of such stolen whiskey.

COVELLI said he first heard that Federal Agents were rounding up the stolen whiskey when he received a phone call from [redacted] at the Cafe Continental. He said that because it was generally known that he had had interest in the Cafe Continental and because he has a criminal record,

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he believed that the police authorities would be seeking him. He said he then borrowed a car [redacted]

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[redacted] and drove to the Silver Dome on Wilsan Avenue in Chicago. He stated that at that time he was living on Keystone Avenue in the Lincolnwood Section of Chicago, address believed 7342. He stated the reason he drove to the Silver Dome was that he suspected that [redacted] the Silver Dome might have disposed of some of the stolen whiskey there. He said that he did not go into the Silver Dome, but from a nearby telephone station made a call to the Silver Dome which was answered by a person he realized must have been a Federal Agent.

COVELLI related that the stolen whiskey of this case was originally to have been stored at the grocery store owned by a brother of "RUFFY" LISCIANDRELLO, but the brother would not have the whiskey at the grocery store. COVELLI stated that he had been informed that the whiskey was to bring at least \$30.00 a case which was about top price for stolen whiskey in Chicago. He said that [redacted] of the whiskey.

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He stated that he was arrested after 3:00 o'clock in the afternoon about 3 or 4 months later and so had to remain in jail overnight for the hearing before U.S. Commissioner PIKE on the following morning. He said he was represented by Attorney [redacted] and that [redacted] of the Surety Bonding Company posted his \$10,000.00 bond in the whiskey case and also \$7,500.00 bond on the impersonation case against him at Pittsburgh. COVELLI stated that he believed this commissioner's hearing and posting of bond occurred in June or July of 1958. He stated that about the same time Attorney [redacted] informed him that the [redacted] the Silver Dome when the stolen whiskey was recovered there [redacted] told COVELLI he should try to locate

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[redacted]
COVELLI stated that at the time the stolen whiskey was located at the Silver Dome the [redacted] FRANK "HOTDOG" LISCIANDRELLO in the Lincoln Hotel, Chicago.

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COVELLI stated that he could not locate [redacted] immediately, but that it was approximately in the fall, 1958 that he encountered [redacted] (LNU) who was [redacted]

[redacted] COVELLI during the whiskey case trial in January, 1959. He stated that [redacted] described as [redacted]

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[redacted] COVELLI stated that he located [redacted] at the Walton Bar on Rush Street and asked her what [redacted]

COVELLI ascertained that the statement alleged that he, COVELLI, [redacted] Silver Dome and that he was therefore [redacted] the Silver Dome. COVELLI stated that the fact was that FRANK LISCIANDRELLO [redacted] and that he, COVELLI, had not even gone near the Silver Dome during the 4 days that it was in operation under the lease. COVELLI stated that [redacted] explained that [redacted] COVELLI [redacted] LISCIANDRELLO [redacted] LISCIANDRELLO [redacted] COVELLI stated he managed to have [redacted] Attorney [redacted] on the following day at which time Attorney [redacted] FRANK LISCIANDRELLO [redacted] that COVELLI [redacted] LISCIANDRELLO [redacted]

In connection with the [redacted] COVELLI stated that [redacted] and that Attorney [redacted]

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COVELLI stated that in connection with his trouble in Pittsburgh that [redacted]

[redacted] had told him not to worry that they would get [redacted] actually a person of [redacted]

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[redacted] to take care of COVELLI's case there.

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COVELLI stated that he ascertained from [redacted]
[redacted]
by COVELLI as [redacted] (PH), and who is described
by COVELLI as being about 31, 5'10", with brown hair: this
individual [redacted]
[redacted]

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COVELLI stated that he phoned [redacted]
[redacted] and told him his name was PAPPAS and that he
was looking for a store to rent. He then drove out to the
[redacted] and he believed that [redacted] may have
been with him when he went to [redacted]
COVELLI also believed this event occurred about December,
1958, prior to the time he received a continuance in his
trial to the date of January 15, 1959. He said he spoke to
[redacted] privately in a rear room of the [redacted]
told him he was actually COVELLI and that [redacted]
[redacted]

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[redacted] COVELLI
said he arranged [redacted] to Attorney
[redacted] office the following day for lunch, at which time
[redacted] could [redacted] agreed to this
but neither [redacted] the following day and
on recontact by COVELLI he claimed [redacted]

COVELLI stated that he, himself, had planned
his defense in the whiskey case and he wanted Attorney
[redacted] to subpoena the following persons:

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1) [redacted] who could say that [redacted] and
FRANK LISCIANDRELLO [redacted]

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2) [redacted] of the Silver Dome who could
testify that COVELLI had merely subleased the Silver Dome
and would not operate it;

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3) [redacted]
[redacted] who could state that COVELLI did not operate the
Care Continental where some of the stolen whiskey was
located;

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4) The Chicago Police Sergeant from the 35th District who had told COVELLI to stay out of the Cafe Continental;

5) [redacted] who could testify that COVELLI [redacted]

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6) FRANK LISCIANDRELLO, who would either testify that [redacted] or else perjure himself.

COVELLI stated that although he wanted the above witnesses in his defense, his attorney, [redacted] did not subpoena a single one of these witnesses and told COVELLI the only one necessary to testify was himself. COVELLI stated that both [redacted] and JIMMY ALLEGRETTI told him not to worry as the Government had no case.

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COVELLI stated that after choosing the jury, [redacted] gave him a half sheet of paper on which had been written a list of the jurors and information concerning them which was developed in the course of their being selected; two of the names bore check marks; there was only one [redacted] on the list which name was checked and the other checked name was believed by COVELLI to be an [redacted] sounding name that possibly began [redacted]

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[redacted] COVELLI stated that at the time [redacted] approved the selection of [redacted] as a juror and the information was developed that [redacted] had a [redacted] [redacted] COVELLI told [redacted] but [redacted] said he would make a good juror.

At the end of the court session when the jury had been impanelled, [redacted] gave COVELLI the list of jurors with the two check names and told him to take it to JIMMY or CAESER (ALLEGRETTI or DIVARCO). COVELLI stated that he then went directly to the Sterling Glass Company by himself and JOE "CAESER" DI VARCO [redacted] and a few others were there and he gave the list of jurors to [redacted]

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[redacted] DIVARCO looked at it and [redacted] said that DIVARCO had better make the calls. DIVARCO then called one [redacted] (spelling believed correct) who is a [redacted]

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According to COVELLI, DIVARCO upon observing the list, chose the name of the [redacted] on the list, [redacted] and remarked "here's the guy we want." COVELLI said that although he heard mentioned the names of the individuals to be called, he did not know if they were reached as he did not listen in on the conversation. He said after a call was made to [redacted] either DIVARCO [redacted] made a phone call to the office of the Chief of Personnel of the Chicago Police Department to [redacted]

[redacted] juror [redacted] COVELLI said he did not know who might have been contacted at the Police Department but the district where [redacted] was ascertained through the phone call. COVELLI stated that DIVARCO then got in touch with JIMMY ALLEGRETTI and asked him who were the "Captain's men" in the district where [redacted] [redacted] Then DIVARCO asked [redacted] if he could handle the Captain's men or words to the effect that [redacted] knew what to do from that point. COVELLI stated it was on the same afternoon on which the jury had been picked that he and [redacted]

[redacted] Sterling Glass Company and drove to West Chicago to a location which COVELLI recalled to be about the [redacted] was to be contacted. The purpose of this trip was to determine [redacted]

[redacted] COVELLI said that [redacted] that location about 20 minutes while COVELLI remained in the car and they then drove to the [redacted] to see [redacted] for about a half an hour while COVELLI remained in the car. After leaving [redacted] dropped COVELLI at his home assuring COVELLI he should not worry as everything was all right.

The following Monday COVELLI went to court but prior to the start of the court for the day, he phoned [redacted]

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[redacted] COVELLI told [redacted] at the Greek Restaurant at State and Kinzie Streets in Chicago.

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Jurors [redacted] are on vacation and were not available for interview.

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Investigation Resulting From
Interview with COVELLI Concerning Bribery

On July 19, 1959, the Houston Division advised that GERALD COVELLI maintained ignorance of the bribery.

COVELLI stated that a few days prior to the Theft From Interstate Shipment trial in Chicago, in January, 1959, he located (FNU) [redacted] (phonetic spelling) at a [redacted]

[redacted] The [redacted]
[redacted] Silver Dome, [redacted]
[redacted] FRANK
LISCIANDRELLO, and, according to COVELLI, [redacted]
[redacted] LISCIANDRELLO [redacted] COVELLI
[redacted] Silver Dome.

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COVELLI wanted [redacted] attorney, [redacted] but [redacted]
[redacted] This information was furnished by COVELLI apparently as an explanation of [redacted] statement concerning payment by COVELLI to a man [redacted]
However, COVELLI said he contacted [redacted] privately in the office and no payment was made.

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On July 21, 1959, the Houston Division related that COVELLI declared [redacted]

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[redacted] He was unable to suggest any corroborating witnesses.

On July 22, 1959, the Houston Division related that information had been received from COVELLI that the person in the [redacted]
He is described as age 31, 5'10", and having brown hair.

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Date: 8/25/59

REC-62

Transmit the following in PLAIN TEXT
(Type in plain text or code)Via AIRTEL
(Priority or Method of Mailing)

TO: DIRECTOR, FBI

FROM: SAC, CHICAGO (15-12848)

GERALD COVELLI; ET AL.
TFIS; OJ; BRIBERY
OO:CHICAGORerep of SA [redacted] at Chicago dated 8/5/59,
Bulet dated 8/20/59, Houston airtel to the Bureau dated
8/22/59, and Chicago airtel to the Bureau dated 8/24/59.b6
b7CINVESTIGATION RE BRIBERY
SINCE LAST REPORT[redacted] who is
[redacted]
were interviewed but professed to have no knowledge of the
bribery.b6
b7C[redacted] were interviewed with
negative results for any knowledge they have concerning
information possessed by [redacted] regarding the bribery.
They stated they would encourage him to talk to agents.b6
b7CSalt Lake City Division on 8/10/59 advised [redacted]
[redacted] refused to be interviewed
except in presence of attorney, so no interview conducted.b6
b7C3-Bureau (15-38700)
1-Dallas (26-24264)(info)
2-Houston (15-1492)(info)
2-Salt Lake City (15-1788)(info)
1-Chicago
RMB:MAD
(9)

15-38700-62

REC-62

13 AUG 27 1959

EX-100

Approved: [Signature]

Sent [Signature]

Per [Signature]

62 SEP 1 1959

Special Agent in Charge

CG 15-12848

LEADS IN THIS INVESTIGATION

Will locate and interview

1. LEO, cook at Cafe Continental
2. Brother of "RUFFIE" LISCIANDRELLO who operates grocery store.
3. [redacted]
[redacted] Cafe Continental [redacted]
[redacted]

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Will discuss with USA feasibility of bringing [redacted] RUFFY LISCIANDRELLO, "HOT DOG" LISCIANDRELLO and [redacted] before FGJ inasmuch as they have been uncooperative on prior interviews with Bureau Agents.

MISCELLANEOUS

It is noted COVELLI has requested investigation be delayed so [redacted] The [redacted] will be closely followed with [redacted] by the Chicago Division; however, most of the above leads, it is felt, can be covered without delay.

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It is contemplated additional leads will be developed upon receipt of report from Houston regarding recent interviews and signed statement of COVELLI.

Copies of this report are designated for Dallas, Houston, and Salt Lake City for info inasmuch as further investigation will probably be requested at a later date of those divisions.

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FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

No Duplication Fees are charged for Deleted Page Information Sheet(s).

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